

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1073
ANSWERED ON:24.11.2000
FOREIGN EXCHANGE RESERVES
CHADA SURESH REDDY;MOHAN RAWALE;UTTAMRAO DEORAO PATIL

Will the Minister of FINANCE be pleased to state:

- (a) the foreign exchange reserves of the country as on 31 October, 2000 as compared to last year;
- (b) the reasons for the decline in Foreign Exchange Reserves of the country; and
- (c) the steps taken by the Government to enhance the Foreign Exchange Reserves of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c) : India's foreign exchange reserves (including gold and SDRs) amounted to US \$34,899 million as on October 31, 2000 as compared to US \$33,805 million on October 31, 1999. This implies an increase of foreign exchange reserves by US \$1094 million during the period from 31st October, 1999 to 31st October, 2000. The movements in foreign exchange reserves reflect demand-supply gaps in the foreign exchange market emanating from India's international transactions both on the current and capital accounts of balance of payments. The Government and the Reserve Bank of India monitor closely the developments in the balance of payments and in the financial markets at home and abroad and take such measures as considered necessary from time to time to increase exports and invisible receipts, including remittances, to enhance the flows of capital, particularly foreign direct investments and to maintain orderly conditions in the foreign exchange market.